

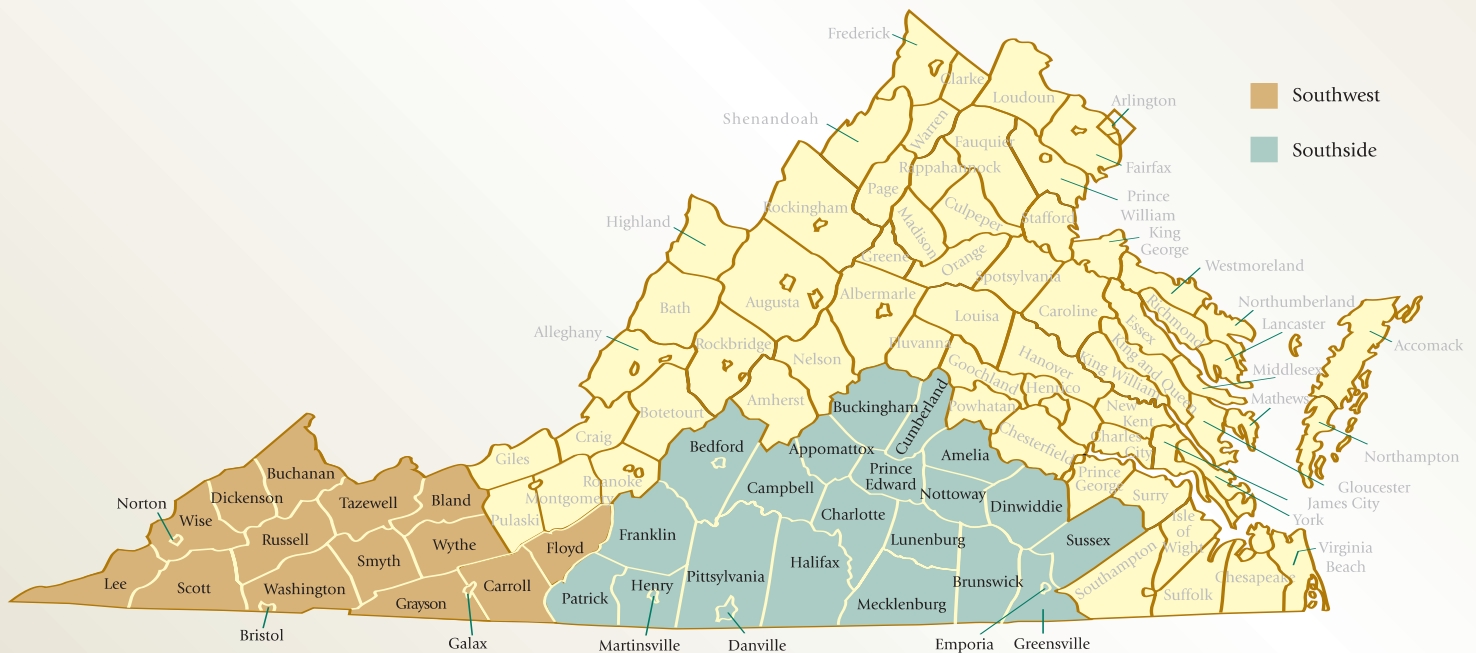
VIRGINIA TOBACCO Indemnification and Community Revitalization COMMISSION



Our Mission

“The Commission is established for the purposes of determining the appropriate recipients of moneys in the Tobacco Indemnification and Community Revitalization Fund and causing distribution of such moneys for the purposes provided in this chapter, including using moneys in the Fund to (i) provide payments to tobacco farmers as compensation for the adverse economic effects resulting from loss of investment in specialized tobacco equipment and barns and lost tobacco production opportunities associated with a decline in quota and (ii) revitalize tobacco dependent communities.”

Section 3.1-1107, *Code of Virginia*



Virginia Tobacco Indemnification and Community Revitalization Commission

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Fund Descriptions / Priorities

Using proceeds from the annual Master Settlement Agreement and Tobacco Indemnification and Community Revitalization Endowment established from securitization proceeds, the Commission made available \$13.7 million for indemnification and awarded \$99.4 million for economic revitalization grants for the tobacco-growing region in fiscal year 2006. The revitalization aspect of the mission is accomplished through seven grant programs that make awards to local governments, government entities (such as Planning District Commissions and Industrial Development Authorities), and non-profit organizations. Awards are guided by the Long Range Plan, recommended by a standing Committee for each program, and monitored by Commission staff. The Plan's Funding Policies call for projects to maximize leveraging from applicants and other partner organizations, to give preference to projects that have regional participation, and to assist those projects that generate the most significant outcomes for the residents and localities in the tobacco region.

Technology

Technology grants are awarded to develop regional fiber-optic "backbone" networks that will provide open access to high-speed, redundant connectivity at an affordable cost to regional users. These networks will allow the tobacco region to grow businesses that require this connectivity and to more effectively market the region as a location for business development. Sixteen grants totaling \$43.2 million were awarded to build infrastructure in the tobacco region.

Education

Education funds are awarded for various projects that will create a world-class workforce in the tobacco region, including scholarships, community college programs, workforce training, and vocational and adult education programs. Seventeen grants totaling \$10.4 million were awarded this fiscal year for educational projects, including \$2.8 million to the tobacco region's seven community colleges for continuing programs, and \$7.6 million in scholarships for tobacco region residents who are attending four-year degree-granting institutions.

Regional Economic Development

Regional economic development funds for Southside and Southwest are designated for projects that will expand and diversify the economic base in the tobacco-dependent region, creating new employment opportunities and reducing dependence on tobacco-related activities. The funds are used to develop industrial sites, improve water and sewer infrastructure, establish training facilities, and develop tourism infrastructure. Southside localities and organizations received 30 grants totaling \$18.4 million, and Southwest received 42 grants totaling \$4.7 million.

Innovation

Innovation grants include three areas of funding: Special Projects, Tobacco Region Opportunity Fund (TROF), and Agribusiness.

Grants are awarded under the **Special Projects** fund for projects that benefit several localities within one region or have the potential to have a significant impact on the economy of the tobacco region as a whole. These funds are provided for projects such as research facilities and regional business development that impact the larger geographic area. Forty-four special projects totaling \$16.0 million were funded this fiscal year.

TROF was created to revitalize the economies of the tobacco region through incentive grants to companies that will create new jobs and bring new private capital investment of at least \$1 million to localities within the region. This fund is successfully assisting communities by diversifying their economic base and reducing dependency on tobacco-related employment. The Commission works closely with the Virginia Economic Development Partnership to leverage the Governor's Opportunity Fund. The Commission made \$5.8 in commitments to help attract 30 new companies, create 3,583 new jobs, and provide \$555.9 million in capital investment to the tobacco region.

Agribusiness grants are awarded to assist tobacco producers and the tobacco region's agricultural community in diversifying into new production opportunities and developing value-added enterprises. Three agribusiness projects received grants totaling \$900,000 for programs and facilities.

Fiscal Year 2006 Grant Awards

(in \$ millions)

